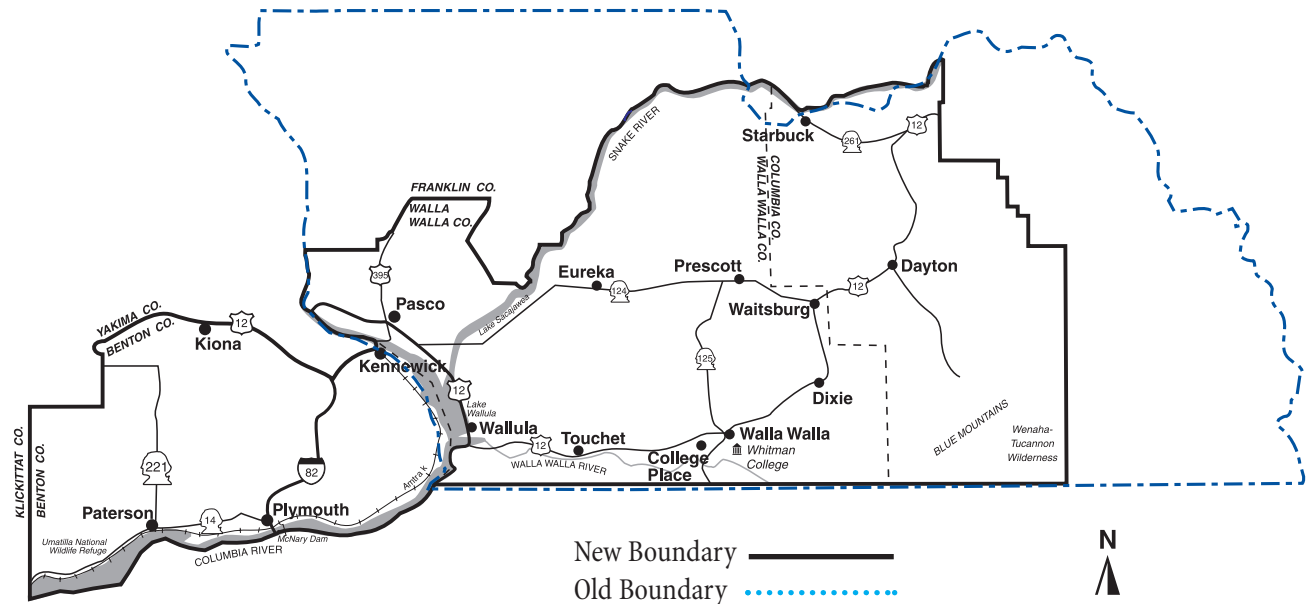
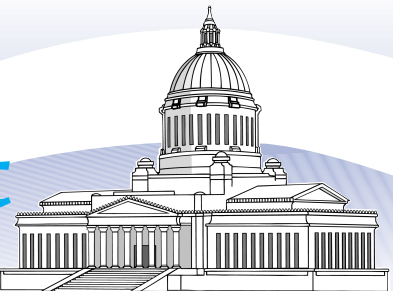


THE NEW 16TH DISTRICT

After the upcoming election in November, the districts in Washington will change to compensate for the community growth. The 16th district will unfortunately lose Asotin and Garfield counties and part of Franklin County. The new boundary, as seen in the map, will extend westward into Benton county. While I may no longer formally represent you, I hope you will always feel comfortable calling or contacting me.



Senator
Mike Hewitt



2002 Legislative Report • 16th District

Keep in Touch

Olympia office address:
115-B Irving R.
Newhouse Building
Mailing address:
P.O. Box 40416
Olympia, WA 98504-0416
Phone: (360) 786-7630
E-mail:
hewitt_mi@leg.wa.gov

Toll-free Legislative Hotline: 1-800-562-6000
TTY: 1-800-635-9993

Internet Information:
• www.leg.wa.gov
• www.src.wa.gov
• www.src.wa.gov/members/hewitt.htm

Committees:
• Ways & Means
• Education
• Human Services & Corrections
• Lt. Governor's Committee on Economic Development & Trade
• Tourism Development Advisory Committee

Dear Friends and Neighbors,

Having just finished my second legislative session, I've been told that it was an odd year. We had several important issues compressed into the short 60-day session. One of the biggest issues normally reserved for the 105-day session is the state budget. Because the state had huge revenue losses on top of the unsustainable budget passed last year by the Democrat-controlled Senate, our state was heavily hit economically. Many of us believe that the Legislature will have to reconvene in the summer when we receive the next economic report on our state to fix the budget again.

As many of you know, Washington businesses are struggling. Our families and neighbors are being affected as more businesses lay people off from their jobs. I helped support several bills based on a study by the Senate Republican Caucus to help jump-start our state's economy. Unfortunately, many of the bills failed in the Democrat-controlled Senate. We will continue to meet with groups in the 16th district to find out how we can improve our business climate. Next year, we'll have several new pro-job, pro-business bills ready.

The Legislature finally passed a workable transportation package. The package will have a major impact on our businesses and roads. Over the next 10 years, our roads will receive improvements allowing freight to move faster across our state. If we can't deliver our farm produce and industry products to consumers, our economy will flat line. In addition, our families will also notice a faster commute from work to home.

For those interested in the new district boundaries, I have included a map of the new 16th district in this newsletter.

Things are tight for everyone right now. As we move forward in this difficult time, I will continue to keep my focus on creating a sustainable state budget, improving our business climate and fixing our roads.

Regards,

Mike Hewitt

Senator Mike Hewitt
Republican Assistant Whip

OPPORTUNITY TO MEET WITH SENATOR HEWITT

Over the next several months, I will be holding town hall meetings throughout the 16th district where we can meet and discuss specific issues in the area. For more information about these meetings, please call my assistant, Kita, at 360-786-7630 and she'll be able to provide the most current schedule or visit the website at:

www.src.wa.gov/members/hewitt16/16thmeet.htm



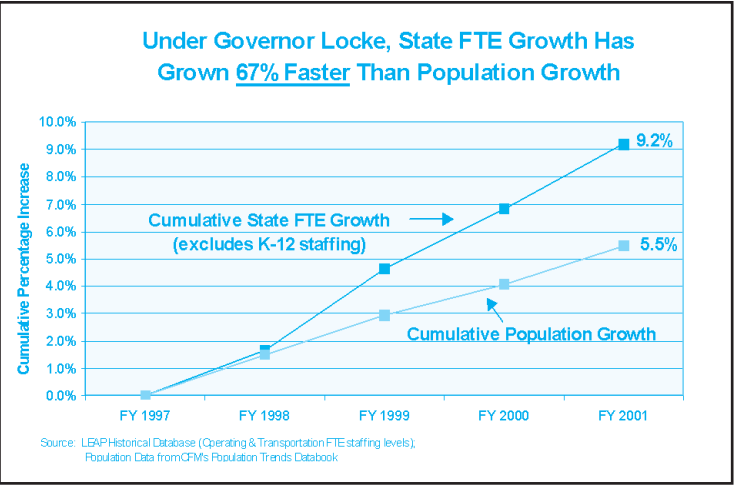
GOVERNMENT GROWTH
CREATES BUDGET CRISIS

The latest economic indicators in Washington have shown that we are dealing with a \$1.6 billion deficit, instead of the \$1.2 billion deficit announced in November. Part of the reason for this gaping hole in our state budget stems from a very simple fact that Washington state government has continued to hire more and more people.

As the accompanying chart illustrates, our state government has been on a hiring spree, growing 67 percent faster than the population. Since 1997, Governor Locke has added 8,354 new state employees to the payroll. If the governor only added new state employees relative to the increase in tax-paying citizens, the state would have hired 3,364 new employees. The residual 4,990

unnecessary state employees, compensated at an average annual rate of \$53,437, place approximately \$266 millions a year onto our struggling budget.

Even before this additional bad news was released, several republicans and two



democrats proposed an immediate statewide hiring freeze for nonessential services (SB 6813) — a step that could save \$190 million over the next 18 months. Under this proposal, the state can trim its full-time employees, reduce the budget deficit, and still maintain cur-

rent services. In addition, approximately 3,713 employees would be lost through attrition, but none would be laid off. We can afford to trim our employee count while protecting essential services.

In my research, I found **three** other areas of major state spending the governor could fix:

1. The state auditor found that 33,515 people were permitted to remain enrolled in the state's Basic Health Plan without their eligibility ever being verified.
 2. State spending on miscellaneous goods and services has grown nearly six times the rate of inflation over the last five years.
 3. Since 1990, the number of lawsuits filed against the state has grown 49 percent, reaching nearly 4,000 claims in 2001 and costing the state \$109 million in payouts during the last two years.
- Running state government is like running a business. When costs are too high, we need to take a serious look at where expenditures have grown, and either discover a way to reduce cost or make cuts in those areas.

BUSINESS CLIMATE
NEEDS JUMPSTART

Last summer, I participated in the Senate Republican Working for Washington study where I met with several groups of small business owners in our district. We discussed the effects of state government on their ability to do business in our state. The biggest complaint I heard was that businesses face too many confusing and conflicting rules and regulations.

After these meetings, we developed a series of bills to help make it easier to do business. Due to the budget situation, much of our focus was on reducing or simplifying rules and regulations. On Feb. 27, the Senate Republicans, with the cooperation of one Democrat, took control of the Democrat controlled Senate and passed five of the bills, sending them directly to the House for consideration.

DOING MY PART TO SAVE STATE MONEY

The Legislature has debated several ways to reduce costs and save money to fix our budget problems. While I participated in these debates, I thought about ways I could cut costs on my own and save the state a few extra dollars. Admittedly, my savings won't fix the state budget, but it is just my way of helping out. I believe that if my neighbor has to make a few sacrifices, then so do I. Because we'll all have to make a few sacrifices, like not sending out as many legislative newsletters to the 16th district, please feel free to go to my Senate Web site for updated information.

"I've saved \$22,643 in state money from my personal office budget."

As a senator, I receive a modest budget to print and send newsletters to the 16th district. Many of you who receive the legislative session's weekly "Eastsider's Report" newsletter know that I do my best to send it via e-mail, which saves the state money. By being conscientious of the state budget and reducing my legislative mailings, I have been able to save the state over \$17,000.

Disappointedly, just like last year, I will not be sending my legislative assistant to the 16th district by my own choice. My legislative assistant lives in the Olympia area and manages the Senate office from Olympia. She is allocated three trips to district per year. Based on my quick calculations, I've saved the state \$5,562 in airfare, car rental, motel fees and meals. I based my figures on an average five-day trip. By working hard and making difficult cost-saving sacrifices that affect our district, I've saved \$22,643 in state money from my personal office budget.



Senator Mike Hewitt discussing legislative issues with colleagues.

As Senate Republicans, we made every attempt to drive the business climate issue to the forefront on the editorial pages and through on-going business climate updates to Working for Washington participants and business lobbyists. At the end, only two of our priority bills were approved by the Legislature.

- SSB 6409 provides a contractor the opportunity to fix or pay for residential construction defects before a lawsuit is filed. Without the bill, builders were having problems getting adequate liability insurance due to the state's strict laws preventing contractors from correcting defects before lawsuits are filed.
- With E2HB 2671, the duties of the Department of Ecology's Permit Assistance Center is transferred to a new Permit Assistance Center within the Office of Financial Management, to be administered by the Office of the Governor. We found businesses had too many requirements across multiple agencies when it came to obtaining a project permit. This bill coordinates multiple agency permits. I had proposed a similar bill, SB 6701, which

would create an ombudsman office. E2HB 2671 accomplished the same thing.

As we continue to reform Washington's business climate, I will continue to sponsor Working for Washington meetings. If you'd like to attend one of these meetings, please contact me at 360-786-7630. If you would like more information on these efforts, please visit our website at <http://www.src.wa.gov>.

FIXING THE STATE'S TRANSPORTATION

A new transportation package has been approved by the Legislature. It wasn't an easy decision, nor do I think it will be popular, but a solid transportation package is essential for the economic vitality of Washington. I voted for this bill because I believe the future of the state is much more important than my political career. We have to remember that a transportation package isn't about the Eastside vs. the Westside. We are all in this boat together, and we need to fix our transportation problem together to get our cars and business vehicles moving again. The Seattle area has its own clogged roads and problems, but what affects us the most is the difficulty businesses have in transporting goods across the state. It is starting to affect our businesses.

I supported the legislation for several reasons. As you can see from the example below, the actual impact to you and I will be minimal, but it will have a great impact on our business climate. Many of us won't be buying a new car anytime soon, so the impact is only in the gas. Assuming the average driver consumes 760 gallons of gas per year, we are only going to pay an additional \$22.80 for the first year, \$45.60 the second year and \$68.40 on the third year. This cost is minimal compared to the large stimulus our business climate will receive and the number of improvement projects our district has planned.

From the additional revenue generated, we are going to receive the following projects:

1. Add two additional lanes between US 12 and McNary Pool*
2. Widen the road to four lanes between US 12 to SR 730
3. Widen the road to four lanes between from milepost 303 to 305 on US 12
4. Study improvements between Walla Walla and Wallula

**I negotiated to have this project start Oct. 2002, instead of Aug. 2003.*

Senate New-Law Impacts on Driver

Ex. #1

	FY 2003	Yr. 1 Cost	Yr. 2 Cost	Yr. 3 Cost	First 3 Yrs.
Gas Tax (\$.09) Annual Gallons Consumed	760	\$22.80	\$45.60	\$68.40	\$136.80
New/Used Surcharge 1% Vehicle Value at \$20,000*	1.00%	\$47.52	\$47.52	\$47.52	\$142.57
Total Cost		\$70.32	\$93.12	\$115.92	\$279.37
Ave. MVET @ \$20,000		\$440.00	\$418.00	\$391.60	\$1,249.60

* Assumes a new car at \$20,000 financed over 60 months at 7.0% APR.

Ex. #2

	FY 2003	Yr. 1 Cost	Yr. 2 Cost	Yr. 3 Cost	First 3 Yrs.
Gas Tax (\$.09) Annual Gallons Consumed	760	\$22.80	\$45.60	\$68.40	\$136.80
New/Used Surcharge 1% Vehicle Value at \$9,000*	1.00%	\$21.39	\$21.39	\$21.39	\$64.16
Total Cost		\$44.19	\$66.99	\$89.79	\$200.96
Ave. MVET @ \$9,000		\$240.20	\$214.50	\$188.10	\$646.80

* Assumes a five year old used car at \$9,000, with an original MSRP of \$15,000, financed over 48 months at 7.0% APR.